



# Iowa Medicaid Enterprise “Endeavors Update”

*A Communications Effort to Strengthen Partnerships* **January 2013**

**Terry E. Branstad, Governor**  
**Kim Reynolds, Lt. Governor**

*Iowa Department of Human Services*  
*Charles M. Palmer, Director*  
*Jennifer Vermeer, Medicaid Director*

## Iowa Medicaid Director’s Column

### Special points of interest:

- CHIPRA Bonus
- Adult Medicaid Quality Grant
- Program Integrity Legislative Proposal
- Iowa Leader in Electronic Health Records
- I-Smile Annual Report
- HBE Grant Award Update



January marks the beginning of the 2013 legislative session. The Medicaid budget is always of great interest to policymakers because of the scope of funding and impact on citizens, both health care providers and vulnerable individuals who receive our services. In addition to budget decisions, policymakers will debate the question of Medicaid expansion under the Affordable Care Act. The department will not take a position on the question but continues to provide data and research for policymakers to make the decision.

Remember, you can find a series of analyses and background studies related to the implementation of the Affordable Care Act on the DHS website at the link below. Thank you, as always, for your interest.

<http://www.dhs.state.ia.us/Partners/Reports/LegislativeReports/LegisReports.html>

### Inside this issue:

CHIPRA Bonus	2
Adult Medicaid Quality Grant	3
Program Integrity Legislative Proposal	4
Physician Rate Increases	5
Habilitation, Rehabilitation, Remedial Explained	6
Medicaid Projections	8
Governor’s Budget Briefing	9

## Annual I-Smile Report Shows 62% Increase in Children Seeing Dentist



The goal of Iowa’s I-Smile program is to ensure Medicaid-enrolled children have a dental home. A new report is showing an impact beyond this goal. According to Tracy Rodgers, Community Health Consultant in the Bureau of Oral and Health Delivery Systems at the Iowa Department of Public Health, there was a 62 percent increase since 2005 in children ages 0-12 who saw a dentist.

“This is nearing the same level of access as children with private dental insurance”. Rodgers states that “this demonstrated success is helping children and families in Iowa access preventive and restorative dental care and building awareness about the importance of good oral health.” Learn more at: <http://www.idph.state.ia.us/OHDS/OralHealth.aspx?prog=OHC&pg=Reports>



## Iowa Awarded \$11 Million CHIPRA Bonus

In mid-December, the Centers for Medicare and Medicaid Services (CMS) announced the Children's Health Insurance Program Reauthorization Act (CHIPRA) Performance Bonuses for federal fiscal year 2012. Iowa received a bonus for the **third** year in a row and was one of twenty-three states receiving bonuses. "This Performance Bonus is confirmation of your state's ongoing and strong efforts to identify and enroll eligible children in Medicaid and CHIP coverage" noted Cindy Mann, Director of CMS. The bonus will support the enrollment and retention of eligible children in Medicaid and CHIP. The bonuses benefit states that have taken specific steps to simplify enrollment and renewal processes and have increased enrollment of children above a baseline level. The Iowa bonus amount was \$11,206,040, an increase of over \$1.6 million above last year's bonus and bringing the total bonuses for the past three years to just under \$28 million. For more information:

[http://www.insurekidsnow.gov/professionals/eligibility/performance\\_bonuses.html](http://www.insurekidsnow.gov/professionals/eligibility/performance_bonuses.html)

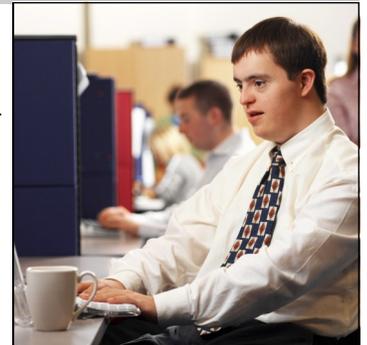
### Wait List Update!

1,330 waiting lists slots have been released between August 2012 and January 15, 2013.

It is anticipated that 2,550 slots will be released in SFY13 and assumed that 50% (1,276) will ultimately enroll.

## Update: HCBS Waiver Waiting Lists Reduced Due to Legislative Commitment

Policymakers made it a priority during the 2011 legislative session to reduce the waiting lists for Home and Community Based Services (HCBS) waivers. The efforts of the legislature in the past two years have assisted greatly in reducing or eliminating waiting lists and these efforts continue during SFY13. Specifically, legislative appropriations designated an additional \$5 million during the course of SFY13 to reduce the existing waiting lists. Currently, there are waiting lists for four of the seven HCBS waivers. The Brain Injury, Children's Mental Health, Health and Disability, and Physical Disability waivers continue to have waiting lists while the Intellectual Disability, Elderly and AIDS/HIV Waivers remain below the upper limit of slots. Additional slots are expected to be allocated towards the four waivers with waiting lists in SFY13. The total number of individuals being served on HCBS waivers was 26,646 in December 2012 with waiting lists of 4,502 individuals. DHS posts the current monthly slot and waiting list details on the web at:



<http://www.dhs.state.ia.us/uploads/12.4.12%20Slot%20and%20Waiting%20List%20Report.pdf>

## Medicaid Awarded nearly \$1 Million for Adult Medicaid Quality Grant

Iowa Medicaid is set to receive a nearly \$1 million quality initiative grant from the Centers for Medicare and Medicaid Services (CMS). This grant is designed to measure and improve the quality of care for adults in Medicaid. This grant will provide financial support to the IME for testing and evaluating methods for collection and reporting of core measures, developing staff capacity to analyze, report and use the data for monitoring and improving access and the quality of care in Medicaid. It also funds two Medicaid quality improvement projects related to the Initial Core Set Measures. Because this is an innovation grant CMS expects the accomplishments to include overall lessons learned, challenges encountered in collecting, reporting, and using the core measures to improve the quality for adults in Medicaid. The clinical areas of focus will include comprehensive diabetes care, prenatal and postpartum care, controlling high blood pressure and cervical cancer screening. The IME will also utilize the statewide health information technology exchange called the Iowa Health Information Network (IHIN) to access clinical data for select quality measures. If the grant is continued after the first year, the IME will receive a total of \$1,917,354 (\$950,214 for the first year and \$967,140 for the second year).



## Vermeer Featured on “Fiscal One-on-One” Audio Interview

Iowa Medicaid Director Jennifer Vermeer is featured in a Legislative Service Agency (LSA) audio interview series called “Fiscal One-on-One”. Vermeer talks with LSA analyst Jess Benson about the basics of Medicaid including who is eligible, how the program is operated and what drives expenditures. Link to the audio interview here:

<https://www.legis.iowa.gov/LSAReports/AudioVideo/fiscalOneOnOnesAudio.aspx>



## 2013 Legislative Proposal: Fight Fraud by Strengthening Program Integrity Law

The Department of Human Services is asking the legislature to enact a new code chapter on “Medical Assistance Program Integrity” in order to increase the tools available to fight Medicaid fraud. The changes are being recommended to increase Medicaid’s ability to enhance program integrity and include amendments and provisions designed to eliminate fraud, waste, and abuse. According to Medicaid Director Vermeer, “we conducted a thorough review and found that the Iowa statutory tools were not as robust as we need to increase our efforts in program integrity.”

Key considerations in support of the proposed legislation;

- Iowa is one of a minority of states that does not have a program integrity statute for Medicaid.
- Currently, Iowa’s program integrity efforts only follow general statutory authority for the department’s Director to run, and promulgate rules for, the Medicaid program under chapter 249A, as well as Iowa Code section 249A.5’s directive to recover “incorrectly paid” Medicaid funds.
- Current language is very narrow compared to what the department is required to do pursuant to federal law and compared to other states. It does not provide sufficient tools to appropriately enforce Medicaid integrity.

In addition to other components, the proposal will require the department to make a list of persons found in violation of Medicaid fraud readily available on its website so the public can have access to the information. The IME website currently provides a link to the federal database on individuals and entities excluded from providing Medicare and Medicaid services.

<http://www.ime.state.ia.us/Providers/ExcludedIndividualsEntities.html>

Link to a one-page handout on the proposal including a section by section summary.

<http://www.dhs.state.ia.us/uploads/program%20integrity%20bill%20summary%20011513.pdf>

(Revised on January 15, 2013)

*“The vast majority of Medicaid service providers are honest and good partners in the delivery of health care to vulnerable Iowans. This proposal lets us concentrate on the bad apples. We have an obligation to taxpayers and our Medicaid members to fight fraud in the system.”*

*Medicaid Director  
Jennifer Vermeer*

## Update: Physician Rate Increase

On January 9 Medicaid Director Jennifer Vermeer updated the DHS Council on the status of the primary care physician rate increases required under the Affordable Care Act. This rate increase is required to be effective January 1, 2013. Iowa Medicaid implementation of the rate increase has been delayed by the Centers for Medicare and Medicaid Services (CMS) in issuing final rules and guidelines. The state is currently waiting for CMS to provide technical assistance that is expected to begin sometime this month. Iowa Medicaid will make retroactive payments as soon as CMS approval is received and approval is expected to take approximately three to six months. Financing for this rate increase is provided by the Affordable Care Act and is 100 percent federal funding for the difference between July 1, 2009, Medicaid state plan rates and the appropriate 2013 and 2014 Medicare rates. The estimated costs for the state portion have been built into the department's SFY13-15 budgets.

Iowa Medicaid issued an informational letter (IL# 1194) to physicians with additional clarification in late November. You can find the letter at:

<http://www.dhs.state.ia.us/uploads/1194%20Increased%20Medicaid%20Payment%20for%20Primary%20Care.pdf>



## Iowa Recognized Among Top Performers in Electronic Health Records

Iowa was recently recognized as one of the top performers in the nation for adoption of electronic health records. At the December meeting of the Office of the National Coordinator (ONC) for Health Information Technology in Washington, DC leaders discussed how to accelerate the adoption and use of electronic health records by medical providers through “meaningful use” incentive grants. At this year’s event, the State of Iowa was recognized as one of the top performers in the “Meaningful Use Acceleration State Challenge”. Iowa ranked 7<sup>th</sup> in the nation for eligible provider adoption and 10<sup>th</sup> in the nation for eligible hospital adoption of electronic health records. Other entities are recognizing Iowa leadership as well. The National Center for Health Statistics (NCHS) ranked the State of Iowa 5<sup>th</sup> overall in rate of adoption. The Iowa Medicaid Enterprise continues to work in partnership with the Iowa Regional Extension Center to ensure eligible providers and hospitals have the resources they need to successfully transition.





## Habilitation, Rehabilitation and Remedial Services Explained

If you ever wondered about the difference in these services, you are not alone. The definitions and examples of services available in each of these categories were explained in a presentation to the DHS Council on January 9 by Medicaid Director Vermeer. Comprehensive assessments are required to be eligible to receive habilitation services. Physician recommendations and other criteria are required to be eligible to receive rehabilitation and remedial services.

**Habilitation:** Services are designed to assist participants in acquiring, retaining and improving the self-help, socialization and adaptive skills necessary to reside successfully in home and community-based settings. Examples of Medicaid services available for habilitation include supported community living, day habilitation and employment services.

**Rehabilitation:** The purpose of rehabilitation services is to restore functioning. Specifically, any medical or remedial services recommended by a physician or other licensed practitioner of the healing arts, within the scope of his or her practice under state law, for maximum reduction of physical or mental disability and restoration of a member to the best possible functional level. Over the years the scope of services has been expanded to also include mental health and substance abuse treatment rehabilitative services. Examples of Medicaid services available for rehabilitation include physical therapy, occupational therapy, speech, hearing services and behavioral health intervention services.

**Remedial:** Services that are intended to correct a physical or mental disorder and are necessary to achieve a specific rehabilitation goal. Examples of Medicaid services available for remedial include anger management, behavior management, relationship skills, problem solving skills, communication skills, conflict resolution, skill rehearsal and social skills.

## Regular Feature: Informational Letters Highlighted

The Iowa Medicaid Enterprise publishes provider bulletins, also known as informational letters, to clarify existing policy details or explain new policy. Bulletins are posted on a website. The “*Endeavors Update*” will highlight information letters released in the preceding month. Topics of the December 2012 and early January 2013 informational letters included:

- Assisted Living On-Call Service for Elderly Waiver (IL#1204)
- 17-Alpha Hydroxyprogesterone Caproates (IL#1203)
- Health Homes: Tips and Tools (IL#1202)
- Reimbursement Changes for Pharmacy and Important Dates (IL#1201)
- Home and Community Based Service (HCBS) Waiver Provider Two Percent Rate Increase (IL#1200)
- Limited Emergent Hospital Coverage for IowaCare Members (IL#1199)
- High Technology Radiology (IL#1198)
- January 2013 Residential Care Facility (RCF) Maximum Per Diem Rate and Personal Needs Allowance Increases (IL#1197)
- Direct Secure Messaging (DSM) and the Iowa Health Information Network Connectivity IL#1196)
- Pharmacy Program and Atypical Antipsychotic Update (IL#1195)
- Increased Medicaid Payment for Primary Care (IL#1194)
  - Changes to Mental Health Current Procedural Terminology (CPT) Codes (IL#1193)

View the complete list of informational letters by year at:

<http://www.ime.state.ia.us/Providers/Bulletins.html>

## Medical Director's Minute

Dr. Kessler writes a monthly column on topics of interest. Last month we inadvertently linked to an old column. Here are the links for December 2012 and January 2013. Dr. Kessler explores the topics of “The New Face of Tobacco” and “Screening for Depression”.

<http://www.dhs.state.ia.us/uploads/Dec%202012%20Medical%20Directors%20Minute.pdf>

<http://www.dhs.state.ia.us/uploads/Medical%20Directors%20Minute%202013%20Jan.pdf>



## Medicaid Projections: CHIPRA Bonus Impact

The Medicaid forecasting group met in December to update the SFY13–15 Medicaid estimates. The ending balances were left unchanged from the prior monthly meeting and are summarized below.

	Medicaid Forecasting Group Midpoint Estimates		
	FY 2013	FY 2014	FY 2015
State Revenue	\$1,356,120,822	\$1,321,689,145	\$1,313,275,016
State Expenditures	\$1,399,120,822	\$1,488,689,145	\$1,560,275,016
<b>Year-End Balance</b>	<b>(\$43,000,000)</b>	<b>(\$167,000,000)</b>	<b>(\$247,000,000)</b>

Although the SFY13 ending balance did not change, adjustments were made to both the expenditure and revenue estimates. November Medicaid spending was slightly higher than anticipated, and as a result, the year-end expenditure estimate was revised upward by \$2 million. This was offset by nearly \$2 million in additional CHIPRA performance bonus revenue. The department had included a bonus payment of \$9,459,710 in its revenue estimates, but the actual bonus received was \$11,206,040.

The CHIPRA bonus payment is derived from two factors:

- The amount by which the number of children enrolled in a state's Medicaid program exceeds CMS established targets.
- State per capita health care expenditures for children.

Actual enrollment and per capita health care spending were both higher than what had been built-in to the department's revenue estimate, and as a result, the actual bonus payment exceeded the budgeted amount.

## MIDAS Update January 2013: "Accenture MMIS Contract to Terminate in 90 Days"

MIDAS is the project to modernize the Medicaid Management Information System (MMIS). On December 7, 2012, the Polk County District Court ruled that the contract award to Accenture must be set aside. Iowa Medicaid Director Jennifer Vermeer announced to staff on January 11 that the department has taken steps to comply with the Court's ruling in the MMIS matter by issuing a notice to Accenture that terminates the contract in 90 days. The department is currently in the process of winding down the current contract activities.

**Key Dates:**

- Feb 15, 2013  
Blueprint application due to CMS
- October 1, 2013  
Open Enrollment Begins
- January 1, 2014  
State Partnership Exchange goes live

**Update: Health Benefit Exchange**

Medicaid Director Jennifer Vermeer updated the DHS Council on January 9 about the status of the Iowa Health Benefit Exchange. She explained the basic overview of an exchange including its primary functions; eligibility and enrollment, plan management, and consumer assistance. Iowa has chosen to proceed with a State Partnership Model in 2014 with potential transition to a state-based exchange in 2015. According to Vermeer, “from a consumer perspective, eligibility determination for insurance subsidies and Medicaid must be seamless regardless of the model and the goal is for consumers to be assisted through no wrong door.”

Learn more by viewing the January 9 presentation:

<http://www.dhs.state.ia.us/uploads/JVermeer%20Presentation%201-9-13v2.pdf>

**Grant Update!**

On January 17 the Centers for Medicare and Medicaid Services (CMS) announced another round of grant awards for establishing health benefit exchanges. Iowa was awarded its third level one establishment grant in the amount of \$6,844,913. This grant will be used to develop an in-person assister program that will provide services to educate consumers about their health care coverage options, help consumers file applications to receive eligibility determinations for insurance affordability program and provide guidance on comparing and selecting coverage options to enroll in qualified health plans. This brings the total successful grant award for Iowa’s HBE to approximately \$42 million (including one planning grant and three level one establishment grants).

**Governor’s Proposed SFY14 DHS Budget**

During the first week of the 2013 legislative session Governor Branstad unveiled details of his SFY14 budget recommendations. The governor’s budget brief includes information on mental health and disability services redesign, the health benefits exchange and Medicaid. According to the brief “Medicaid has become one of the largest spending areas and is the fastest growing General Fund budget driver. This program, with its federal funding component, is a large and complex funding source of health care services for vulnerable and needy Iowans. More than 35,000 providers participate in Medicaid. Effective management is critical to ensure stability and predictability in a program which impacts the lives of so many Iowans.” Link to the budget brief document:

[http://www.dom.state.ia.us/index\\_files/FY2014\\_BiB\\_to\\_Iowa\\_Access.pdf](http://www.dom.state.ia.us/index_files/FY2014_BiB_to_Iowa_Access.pdf)

DHS Director Palmer responded to the budget recommendations by saying the governor “proposed a solid and sustainable level of funding for the DHS.” Additionally, Palmer noted that the Governor recommended a supplemental appropriation in SFY13 for various Medicaid needs and expects Medicaid to employ more cost-containment measures.



Iowa Department  
of Human Services

***Iowa Medicaid programs  
serve Iowa's most  
vulnerable population,  
including children, the  
disabled and the elderly.***

We're on the web!

<http://www.ime.state.ia.us/>

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[IMENewsletter@dhs.state.ia.us](mailto:IMENewsletter@dhs.state.ia.us)

*The Iowa Medicaid Enterprise (IME) is an endeavor, started in 2005, to unite State staff with “best of breed” contractors into a performance-based model for administration of the Medicaid program.*

*The Medicaid program is funded by State and Federal governments with a total budget of approximately \$4 billion. The \$4 billion funds payments for medical claims to over 38,000 health care providers statewide.*

*Iowa Medicaid is the second largest health care payer in Iowa. The program is expected to serve over 650,000 Iowans, or 21%, of the population in State Fiscal Year 2013.*

## **Iowa Medicaid Upcoming Events:**

Jan 18	Clinical Advisory Committee
Feb 6	Drug Utilization and Review
Feb 18	<b>hawk-i</b> Board
March 14	Pharmaceuticals & Therapeutics Committee

<http://www.dhs.state.ia.us/DHSCalendar.html>

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